
**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS

	Section
Aid Payments	44-300
Money Payment Principle	44-301
Aid Payments - Defined	44-303
Money Payments .....	.1
Protective Payments.....	.2
Vendor Payments.....	.3
Aid Payment Schedules.....	44-304
Forwarding of Warrants.....	.1
Frequency of Delivery.....	.2
Changes in Frequency.....	.3
Recipient Option.....	.4
Standard Delivery Dates.....	.5
Exceptions to Standard Delivery Date.....	.6
Recipient Dies .....	.7
Aid Payments - Payee and Delivery	44-305
To Whom Paid and Delivered.....	.1
Time of Delivery .....	.2
Alternate Payment System .....	.3
Voucher/Vendor Payments.....	44-307
Voucher/Vendor Payments.....	.1
Grant not Sufficient .....	.2
Optional Voucher/Vendor Payments .....	.3
Protective Payments.....	44-309
Exceptions to Protective Payment Requirements.....	44-310
Cost-of-Living Adjustments.....	44-311

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Budgeting Methods for AFDC-FG/U.....	44-313
Prospective Budgeting .....	.1
Retrospective Budgeting .....	.2
Income of a Continuous Nature .....	.3
Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit .....	.4
Budgeting in Approved Alternate Payment Systems .....	.5
Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG and AFDC-U .....	.6
Maximum Family Grant (MFG).....	44-314
Definitions .....	.1
MFG .....	.2
MFG Application.....	.3
Continue MFG.....	.4
MFG Exemptions.....	.5
MFG Child Eligibility.....	.6
Amount of Aid	44-315
Definitions .....	.1
County Responsibility.....	.2
Amount of Grant .....	.3
Special Needs .....	.4
\$10 or More.....	.5
Payment in Installments .....	.6
Proration of AFDC-FG/U Grant.....	.7
Suspension.....	.8
Zero Basic Grant .....	.9
Reporting Changes Affecting Eligibility and Grant Determinations.....	44-316
Required Reporting of All Changes Affecting Eligibility and Grant Determination.....	.1

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Beginning Date of Aid for New Applications	44-317
Basic Date of Aid Determination.....	.1
Aid Begins on a Specified Date .....	.2
Aid is Granted on Intercounty Transfer .....	.3
Change in Type of Assistance .....	.4
Intraprogram Status Changes .....	.6
Previously Denied Application is Approved.....	.8
Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.....	.9
Effective Date of Medical Assistance Certification.....	.10
Beginning Date of Aid (BDA) for Persons Being Added to the AU.....	44-318
Beginning Date of Aid .....	.1
Initial Payments.....	44-319
Initial Payment - Defined.....	.1
When Initial Payment is Made .....	.2
Retroactive Initial Payment .....	.3
Changes in Amount of Payment.....	44-325
When Change is Effective.....	.1
Discontinuance.....	.3
Cancellation or Reduction of the Second Installment of a Month's Aid Payment .....	.5
Delayed Payment	44-327
Federal and State Participation .....	.1
Factors Causing Delay in Payment .....	.2

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Underpayments	44-340
General .....	.1
Investigation of Underpayments.....	.2
Calculating the Underpayments .....	.3
Correction of the Underpayment .....	.4
Retroactive Payments Exemption .....	.6
Repealed by SDSS Manual Letter No. EAS-89-06, effective 10/1/89 .....	.7
Overpayments - General.....	44-350
General .....	.1
Definitions .....	.2
Investigation of Overpayments .....	.3
Aid Paid Pending .....	.4
Methods of Overpayment Recovery	44-351
Voluntary Cash Recoveries .....	.1
Voluntary Grant Offset.....	.2
Balancing .....	.3
Overpayment Recoupment	44-352
Calculation of the Overpayment.....	.1
Amount That Can Be Recovered.....	.2
From Whom the Overpayment May Be Recouped .....	.3
Methods of Recovery .....	.4
Referral to Special Investigative Unit (SIU).....	.5
Overpayments to Sponsored Aliens	44-353
Liability for Overpayments .....	.1
Recoupment for Overpayments.....	.2

**STANDARDS OF ASSISTANCE
AID PAYMENTS**

TABLE OF CONTENTS

CHAPTER 44-300 AID PAYMENTS (Continued)

	Section
Mandatory Inclusion Overpayment/Underpayment	44-355
Mandatory Person - Presence Unknown1
Current Eligibility2

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CHAPTER 44-300 AID PAYMENTS

44-301 MONEY PAYMENT PRINCIPLE 44-301

Each individual or family has the right to manage his/her own affairs; to decide what use of his/her money, including the aid payment, will best serve his/her interests; and to make his/her purchases through the normal channels of exchange, to enjoy the same rights and to discharge his/her responsibilities in the same manner as other members of the community.

Aid payments shall be made in conformity with the money payment principle except when a problem in money management exists (see Section 44-307); when authorized sanctions are applied when a person fails without good cause to cooperate in the WIN Demo or GAIN Programs (see Section 42-691 or 42-786); when protective payments are made in noncooperation child support cases (see Sections 43-106 and 43-107.1); when money management is required under GAIN (see Section 42-785); or when directed by the Services System to make payments to a protective payee or to a vendor or vendors (see Section 44-307).

Aid payments are for the benefit of the recipient only and do not constitute income to any other person.

44-303 AID PAYMENTS - DEFINED 44-303

Aid payments are:

- .1 Money payments, i.e., payments delivered unconditionally to the recipient or family or to the legally appointed guardian or conservator of the recipient's estate, with no state or county control of the use of the payments.

When a staff person in the county welfare department or in the State Department of Social Services serves as a substitute payee or as a court appointed guardian or conservator for the recipient, as provided in Sections 40-107.2 and 30-222.6, his/her determinations regarding utilization of the aid payments on behalf of the recipient do not constitute "state or county control" within the meaning of this section. However, care shall be taken to leave the recipient as much control over the use of the payment as possible and consistent with conditions.

or

- .2 Protective payments, i.e., assistance payments made to a substitute payee serving as representative of the recipient or family (see Section 44-309).

or

44-303	AID PAYMENTS - DEFINED (Continued)	44-303
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- .3 Vendor payments, i.e., payments made directly to a person or agency supplying goods or services to the recipient or family. Vendor payments are applicable:
- .31 In all aids, for payments on home repairs under special shelter payment provisions; and
 - .32 In CalWORKs, for use in certain Homeless Assistance cases (see Section 44-211.5); and
 - .33 In CalWORKs cases in which a member of the AU becomes ineligible for aid due to a felony conviction related to the use or distribution of a controlled substance (see Section 44-307.11); and
 - .34 In CalWORKs cases in which a parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months (see Section 44-307.12).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11453.2, and 17012.5, Welfare and Institutions Code; Family Support Act of 1988, Public Law (PL) 100-485, October 13, 1988 and California Department of Health Services Manual Letter 77-1.

44-304	AID PAYMENT SCHEDULES	44-304
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| .1 Forwarding of Warrants | When an AFDC warrant is mailed, the envelope containing the warrant shall bear a statement that the warrant is not to be forwarded and that an address correction is requested (Welfare and Institutions Code Section 11006.4). |
| .2 Frequency of Delivery | Except for counties with approved alternate payment systems counties shall select either semimonthly or monthly delivery of payments. |
| .3 Changes in Frequency | Counties shall, when electing to change frequency of delivery: |
| .31 CDSS Notification | Notify CDSS in writing at least 90 calendar days prior to converting from one payment frequency to another. |
| .32 Recipient Notification | Notify all recipients of AFDC in writing at least 30 calendar days prior to converting from one payment frequency to another. |

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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| .4 | Recipient Option | Counties opting for a monthly payment system shall be permitted to offer recipients the option of receiving semimonthly payments on a case-by-case basis. The total number of recipients receiving semimonthly payments shall not exceed 50% of the county's caseload. |
| .5 | Standard Delivery Dates | |
| .51 | Semimonthly Delivery | The county shall deliver ongoing payments as follows when the county has selected semimonthly delivery: |
| .511 | First Warrant | The county shall place the first warrant in the mail in time to be received by the first day of the payment month unless the county received the completed CA 7 (Rev. 6/92) after the tenth day prior to the end of the report month.

If the completed CA 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail in time to be received by the first calendar day of the payment month if possible, but not later than the tenth calendar day of the payment month. |
| .512 | Second Warrant | The county shall place the second warrant in the mail in time to be received by the 15th calendar day of the payment month. |
| .52 | Monthly Delivery | The county shall place the warrant in the mail in time to be received by the first calendar day of the payment month unless the completed CA 7 is received after the tenth day prior to the end of the report month. |

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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If the completed CA 7 is received after the tenth day prior to the end of the report month, but on or before the first day of the payment month, the county shall not delay the payment and shall place the warrant in the mail in time to be received by the first day of the payment month if possible, but not later than the tenth day of the payment month.

.6 Exceptions to Standard
Delivery Date

The county shall deliver:

.61 Holiday/Weekends

On the last postal delivery day preceding a holiday or weekend when the holiday or weekend will delay delivery past the specified date of delivery.

.62 Initial Payment

Initial payments promptly but no later than 10 calendar days after authorization of aid or the beginning date of aid, whichever is later.

.63 Other Types of Delivery

Payment to the recipient on the last working day prior to the specified delivery date when the payment is to be delivered by means other than the mail.

.64 Late Payments

Payments that cannot be authorized before the date for regular aid payments as soon as administratively feasible.

.65 Out-of-County

Payments out of the county as soon as administratively feasible.

.66 Vendor Payments

Payments according to specified intervals to third parties or vendors when requested by the recipient or when made in accordance with Section 44-303.3.

.7 Recipient Dies

If a warrant is cashed but the recipient subsequently dies or becomes ineligible for aid there is no right to recovery.

44-304	AID PAYMENT SCHEDULES (Continued)	44-304
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NOTE: Authority cited: Sections 10553, 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11006.2, 11251.3, 11453.2, 11455 and 17012.5, Welfare and Institutions Code; 45 CFR 206.10(a)(6)(D); 45 CFR 233.23; 45 CFR 233.29(a)-(d); 45 CFR 233.31(b)(4); 45 CFR 233.32; and Balderas v. Woods Court Order.

44-305	AID PAYMENTS - PAYEE AND DELIVERY	44-305
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.1 To Whom Paid and Delivered

HANDBOOK BEGINS HERE

- .11 For Payee and Delivery requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.4.

HANDBOOK ENDS HERE

.12 Child Living with Parent or Relative

- .121 If a child is living with a caretaker relative, the warrant shall be paid only to the caretaker relative unless such relative has a legally appointed guardian or conservator or there is a substitute payee or there is a vendor designated to receive payment (see Section 44-307). In such cases, the warrant is paid to the guardian, conservator, substitute payee or vendor.
- .122 If the caretaker relative is temporarily absent from the home, the warrant may be paid to a person designated by the caretaker relative.
- .123 The warrant is to be delivered only to the payee or otherwise according to the payee's instructions. If there is an emergency, the warrant may be delivered to a person acting temporarily for the parent or relative payee. (See Section 25-530.2.)

.13 Repealed by Manual Letter Number 81-62 (1/1/82)

.2 Alternate Payment System

- .21 A county may develop a plan that divides its cases into groups and pays aid to these cases on dates other than the first and fifteenth of the calendar month, in order to allow payment dates to be spaced evenly throughout the calendar month.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .22 Such an alternate payment system must receive written approval of the State Department of Social Services before it may be implemented. The plan must provide that:
- .221 Each recipient shall be assigned a recurring, specified aid payment period. The budget period shall correspond to this payment period.
- .222 The aid warrant shall be placed in the mail in time to be delivered on the dates specified under Section 44-305.23.
- .223 In the event that there is no mail delivery on the date specified for delivery of the aid payments, the warrant shall be delivered in accordance with the provisions of Section 44-304.61.
- .224 Upon changing aid payment periods for any recipient, the recipient shall receive a warrant for the prorated amount of aid for the interim period between the end of his old payment period and the beginning of his new payment period. The prorated payment shall be made on the old aid payment delivery date.
- .225 Under the alternate payment system, references to month in the regulations shall be interpreted to mean the assigned aid payment or budget period.
- .226 Upon approval of the plan by the state and the assignment of an applicant to an alternate payment period, the recipient shall be informed of his payment period, budget period and dates he can expect his aid warrant.
- .23 Aid payments to AFDC families residing in counties with approved semimonthly alternate payment systems shall be made in two installments during the payment period as follows:
- .231 The county shall place the first warrant in the mail in time to be received by the first day of the assigned payment period, unless the county received the completed CA 7 (Rev. 6/92) after the tenth day prior to the end of the assigned report period. If the CA 7 is received after the tenth day prior to the end of the assigned report period, but on or before the first day of the assigned payment period, the county shall not delay the payment and shall place the first warrant in the mail in time to be received by the first day of the assigned payment period if possible, but not later than the tenth day of the assigned period.
- .232 The county shall place the second warrant in the mail in time to be received by the 15th day of the assigned payment period.

44-305	AID PAYMENTS - PAYEE AND DELIVERY (Continued)	44-305
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- .24 The exceptions to standard delivery dates specified in Section 44-304.6 shall be applicable to counties that have alternate payment systems.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11254, Welfare and Institutions Code; 45 CFR 233.29, 45 CFR 233.31(b)(4) and 45 CFR 233.32.

44-307	VOUCHER/VENDOR PAYMENTS	44-307
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| .1 | Voucher/Vendor Payments | A county shall issue vouchers or vendor payments for at least rent and utilities payments in the following instances: |
| .11 | Felony Conviction | A member of the AU becomes ineligible for aid due to a felony conviction after December 31, 1997, related to the possession, use, or distribution of a controlled substance, or |
| .12 | Sanction | Any parent or caretaker relative is subject to sanction for a period of time known in advance to be at least three consecutive months. The vouchers or vendor payments shall continue until the parent or caretaker relative is no longer subject to sanction. |
| .2 | Grant not Sufficient | When the computed grant is not sufficient to cover both rent and utilities, the county shall issue a voucher or vendor payment for the full amount of the grant. The voucher or vendor payment may be for rent, utilities, or some portion of either. |

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| .21 | Example: | Recipient's rent for a given month \$500. |
| | | Utilities for the month \$100. |
| | | Grant for the month \$400. |
| | | The county could either send a \$400 voucher to the landlord or send a \$100 voucher to the utility company and a \$300 voucher to the landlord. |

HANDBOOK ENDS HERE

44-307	VOUCHER/VENDOR PAYMENTS (Continued)	44-307
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| .3 | Untenable Living Situation | Counties shall establish procedures to accommodate recipients who notify the county fourteen calendar days prior to the issuance of the next rental payment that they wish to withhold all or part of their rent due to an untenable living situation. |
| .4 | Change of Address | If a recipient notifies the county fourteen calendar days prior to the issuance of the next regular rental payment that he/she intends to move, the county shall arrange to send the next rental payment to the new landlord. |
| .5 | Optional Voucher/Vendor Payments | Counties have the option of issuing voucher or vendor payments in the following instances: |
| .51 | Other Need Items | When vouchers or vendor payments are issued pursuant to Section 44-307.11 or .12, counties have the option to issue additional vouchers or vendor payments for other need items if they deem it in the best interest of the recipient child(ren), or |

44-307	VOUCHER/VENDOR PAYMENTS (Continued)	44-307
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- .32 Over Time Limit
- When an adult is removed from the AU after reaching the 60-month time limit specified in Section 42-302.1, counties have the option of providing aid to the AU in the form of vouchers or vendor payments.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11251.3, 11320.15, 11450.13, 11453.2, and 17012.5, Welfare and Institutions Code; and Section 1942, Civil Code.

44-309	PROTECTIVE PAYMENTS	44-309
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Choosing, appointing and reviewing protective payees.

- .1 When the parent or needy caretaker relative is excluded from the assistance unit pursuant to Section 82-832.21 or 42-786, the payment for the assistance unit shall be made in its entirety by protective payments provided the county is able to locate an appropriate protective payee. See Section 44-310 for exceptions to protective payment requirements.
- .11 The recipient's inability to manage money need not be established.
- .12 Repealed by Manual Letter No. 85-04 (Effective 1/18/85)
- .13 The protective payee shall be selected using the following criteria:
- .113 Interest in or concern with the recipient's welfare.
- .114 Existence of a positive relationship with the recipient.
- .115 Accessibility to the recipient.
- .116 Good character and reliability (see also Section 40-107.2 for recipient's right to choose).
- .14 At least every three months, the way in which the protective payee's responsibilities are carried out shall be reviewed.
- .15 Protective payments will be terminated with return to money payment status only upon compliance by the parent or needy caretaker relative with the provisions of Sections 43-106 and/or 107, or Section 42-786.

NOTE: The above function shall be funded under Title IV-A of the Social Security Act.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code; and California Department of Health Services Manual Letter 77-1.

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44-310	EXCEPTIONS TO PROTECTIVE PAYMENT REQUIREMENTS	44-310
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- .1 Protective payments under Sections 42-691.233, 42-786.5 and 44-309 are not required if, after making all reasonable efforts (see .2 below), the county is unable to locate an appropriate individual to whom protective payments can be made. In this case, the county shall continue to make payments on behalf of the remaining members of the assistance unit to the sanctioned caretaker.
- .2 At a minimum, reasonable efforts on the part of the county to locate a protective payee shall include the following actions:
 - .21 Inform the sanctioned individual that the county is required to make protective payments if it is able to locate an appropriate protective payee.
 - .22 Ask the sanctioned individual to name a person who can act as the protective payee, and explain the selection criteria of Section 44-309.13 to the sanctioned individual.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: California Department of Health Services Manual Letter 77-1.

44-311	COST-OF-LIVING ADJUSTMENTS	44-311
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Grant and benefit levels are adjusted annually on July 1 to reflect changes in the cost of living as provided by statute (see W&IC Sections 11453 and 13100). This section does not apply to foster care rates for AFDC children.

44-313	BUDGETING METHODS FOR AFDC-FG/U	44-313
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Budgeting is the activity used to compute the aid payment for a month for which eligibility exists (known as the payment month) using net nonexempt income, see Chapter 44-100, received in a corresponding month (known as the budget month). The two types of budgeting methods are prospective and retrospective. Under prospective budgeting, the budget month and the payment month are the same month. Under retrospective budgeting, the budget month is the second month prior to the payment month.

Budgeting is an activity separate from the determination of eligibility. All eligibility factors, including income eligibility, see Section 44-207, are considered on a prospective basis.

This section defines prospective and retrospective budgeting and specifies the appropriate method for various situations.

For the appropriate budgeting method to be used when an individual is added to or deleted from an existing assistance unit, see Section 44-313.4.

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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.1 Prospective Budgeting

.11 Prospective budgeting is the method of computing an aid payment for a month using an estimate of the income reasonably expected to be received in that month. The estimate shall be based on the county's knowledge of past and current income and reasonable expectation of future income.

.12 Prospective budgeting shall be used to compute:

.121 The grant for the first and second months that AFDC is granted following a new application or reapplication, see Sections 40-103.41 and .43.

Example:

If the first month of aid is October, the aid payments for October and November are computed using estimates of income reasonably expected to be received in October and November.

.122 The grant for the first and second payment months of AFDC when aid is restored (see Section 40-103.42) following a break in aid of one calendar month or more.

.123 When aid is restored following a suspension, see Section 44-315.6.

Example:

If aid is discontinued March 31, and aid is restored to be effective anytime in May, the aid payments for May and June are computed using estimates of income reasonably expected in May and June.

.2 Retrospective Budgeting

.21 Retrospective budgeting is the method used to compute the AFDC grant for a month using income received in the second month prior to the payment month. Income information shall be obtained from the Monthly Eligibility Report (CA 7).

.22 Retrospective budgeting is the method used to compute:

.221 The AFDC grant for the third and subsequent payment months, except that income from the budget month which was considered prospectively for any payment month and is not of a continuous nature shall not be counted, see Section 44-313.3.

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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.222 The AFDC grant for the month following a suspension as required by Section 44-315.6.

.223 The AFDC grant for the month in which aid is restored following a break in aid of less than a calendar month provided:

(a) The assistance unit received an aid payment, received a zero grant, or would have received an aid payment except for the restriction on grants of less than \$10, for the immediately preceding two payment months; or

(b) The assistance unit was suspended in either of the two payment months immediately preceding discontinuance and retrospective budgeting was or is required by Section 44-315.6 where aid was or is restored following the suspension.

Example:

If aid is discontinued effective March 31, and aid is restored to be effective anytime in April, the grant for April is computed using income received in February, the grant for May is computed using income received in March, etc.

.3 Income of a Continuous Nature

.31 For the third and fourth payment periods, the income already used to compute the grant for the first and second payment periods which is not of a continuous nature shall not be counted.

.4 Budgeting the Income of Individuals Added to or Deleted from an Existing Assistance Unit

.41 The income of an eligible individual added to an existing assistance unit shall be budgeted prospectively for the first two payment months except in the following circumstances:

.411 When aid is restored following a break in aid from that assistance unit when the break in aid is less than one calendar month, retrospective budgeting shall continue. See Section 44-313.223.

.412 When the added individual's income has been considered when determining the assistance unit's eligibility for the two months immediately preceding the beginning date of aid, retrospective budgeting shall be used.

HANDBOOK BEGINS HERE

EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. An unaided stepparent has income deemed to the assistance unit in December and January. The stepparent is added to the assistance unit on the first day of February, and remains eligible in subsequent months.

Budgeting: Retrospectively budget the stepparent's income deemed to the assistance unit in December to the February payment month. Retrospectively budget the stepparent's income deemed in January to the March payment month. Retrospectively budget all the stepparent's net nonexempt income received in February to the April payment month.

HANDBOOK ENDS HERE

- .413 When the added individual's income has been considered when determining the assistance unit's eligibility for only the first month immediately preceding the beginning date of aid, his/her income shall be retrospectively budgeted in the second month of aid.

HANDBOOK BEGINS HERE

EXAMPLE:

Situation: The assistance unit is in retrospective budgeting. A second parent moves into the home in January and applies for aid. Eligibility conditions are met at the end of January. The second parent is added to the assistance unit effective the first of February, and remains eligible in subsequent months.

Budgeting: Compute the second parent's income considered available to the assistance unit in January according to 44-133.3, and retrospectively budget this amount to the March payment month. Prospectively budget the second parent's net nonexempt income expected to be received in February to the February payment month. In addition, retrospectively budget the second parent's net nonexempt income received in February to the April payment month, if the income is of a continuous nature. (See Section 44-313.3.) Retrospectively budget the second parent's net nonexempt income received in March to the May payment month.

HANDBOOK ENDS HERE

44-313 BUDGETING METHODS FOR AFDC-FG/U (Continued)**44-313**

- .42 The income received during the budget month by an individual deleted from an assistance unit shall not be considered income to the assistance unit for retrospective budgeting in any payment month following his or her discontinuance except in the following circumstance:
- .421 When the person remains in the home following discontinuance and has income which is considered available to the assistance unit under Section 44-133, retrospective budgeting shall continue.

HANDBOOK BEGINS HERE

Example 1:

A child with income moves from the home in July. The child's needs are not considered for eligibility in August. Therefore, his/her June income is not considered when computing the grant paid in August.

EXAMPLE 2:

Situation: The assistance unit is in retrospective budgeting, and in January and prior months consisted of stepfather, mother and her separate child. Stepfather begins working full time and is removed from the assistance unit as of February 1. The stepfather remains in the home, and his income is deemed to the assistance unit according to 44-133.6 in February and subsequent months.

Budgeting: Retrospectively budget all the net nonexempt income received in November by the three-person assistance unit to the January payment month. Retrospectively budget all the net nonexempt income received in December by the three-person assistance unit to the February payment month. Retrospectively budget all of the net nonexempt income received in January by the three-person assistance unit to the March payment month. Retrospectively budget the net nonexempt income received in February by the two-person assistance unit, including the income deemed from the stepparent in February, to the April payment month. Note: This budgeting method is used even when the stepparent's income is not actually considered available to the family because the stepparent's needs and other deductions allowed under 44-133.6 are greater than the income.

HANDBOOK ENDS HERE

.5 Budgeting in Approved Alternate Payment Systems

- .51 Apply the requirements of 44-313 to approved alternate payment systems (see Section 44-305.3). Substitute references to "month" with phrase "28- to 31-day period not limited to a calendar month."

44-313	BUDGETING METHODS FOR AFDC-FG/U (Continued)	44-313
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| .6 | Budgeting for Refugee or Cuban/Haitian Entrant Cases Transferred from Refugee or Cuban/Haitian Entrant Cash Assistance to AFDC-FG AND AFDC-U | |
| .61 | The budget period for the month of transfer from the Refugee Resettlement or Cuban/Haitian Entrant Programs to AFDC-FG or AFDC-U shall be the second prior calendar month (retrospective budgeting) unless the family did not receive refugee or Cuban/Haitian entrant cash assistance in the second prior calendar month. | |
| .62 | If the family did not receive cash assistance in the second prior calendar month, but did in the prior calendar month, the budget period for the month of transfer shall be the concurrent month. The budget period for the following month shall be the corresponding second prior calendar month. | |

44-314	MAXIMUM FAMILY GRANT (MFG)	44-314
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| .1 | Definitions | The following definitions pertain only to Section 44-314. |
| .11 | Law Enforcement Agency | Law enforcement agency includes federal, state, and local law enforcement agencies. |
| .12 | Mental Health Professional | Mental health professional means a person who is licensed by the State of California to provide counseling services. |
| .13 | MFG Child | MFG child means the child, or children in the case of a multiple birth, that is not included in the AU size for the purpose of determining the MAP. |
| .14 | Received Aid | Received aid means received cash aid for himself/herself or on behalf of his/her eligible child(ren). This includes: |
| .141 | | A sanctioned parent who has a protective payee. |

44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)	44-314
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|----|---------------------|--|--|
| | .142 | A payment that is not sent due to a suspense month or the grant is less than \$10. | |
| | .143 | A minor that receives aid as a child and who subsequently becomes a minor parent. | |
| .2 | MFG | When a child is born into an AU that has received aid for at least ten months immediately prior to the birth, the child shall not be included in the AU size for the purpose of determining the MAP. | |
| .3 | MFG Application | The MFG applies when: | |
| | .31 Notice | The AU has received written notice of the MFG at least ten months prior to the birth of the child, and | |
| | .32 No Break in Aid | The AU has not had a break in aid of at least two consecutive months during the ten months immediately prior to the month of birth of the child. | |
| .4 | Continue MFG | The MFG continues to apply until the AU has not received aid for at least 24 consecutive months. | |
| .5 | MFG Exemptions | MFG shall not apply when: | |
| | .51 Rape | The child was conceived as a result of an act of rape, as defined in Sections 261 and 262 of the Penal Code, and | |
| | .511 | The rape has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of rape prior to, or within three months after, the birth of the child. | |
| | (a) | The recipient shall provide written verification from one of the entities listed above, that the incident of rape was reported and the date that the report was made. | |
| | .52 Incest | The child was conceived as a result of incest, as defined in Section 285 of the Penal Code, and | |

44-314 (Cont.)		STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-314	MAXIMUM FAMILY GRANT (MFG) (Continued)		44-314
	.521	Paternity has been established, or	
	.522	The incest has been reported to a law enforcement agency, medical or mental health professional or an organization that provides counseling to victims of incest prior to, or within three months after, the birth of the child.	
	(a)	The recipient shall provide written verification from one of the entities listed above that the incident of incest was reported and the date the report was made.	
	.53	Contraceptive Failure	It is medically verified that the child was conceived as a result of the failure of:
	.531	An intrauterine device, or	
	.532	Norplant, or	
	.533	The sterilization of either parent.	
	.54	Unaided Caretaker Relative	The child was conceived while either parent was an unaided nonparent caretaker relative.
	.55	Not Living With Parent	The child is not living with either parent.
.6	MFG Child Eligibility		The MFG child is eligible for and a recipient of aid including special needs.
	.61	MBSAC	The MFG child is included in the AU size for the MBSAC.
	.62	Child Support	Any child support payments received by the District Attorney for the MFG child shall be given to the AU and exempt from consideration as income. For treatment as a resource, see MPP Section 42-211.2.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11450.04(a), (b)(1), (2) and (3), (d)(1), (2) and (3), and (e), Welfare and Institutions Code; Sections 261, 262, and 285, Penal Code.

44-315	AMOUNT OF AID	44-315
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| .1 | Definitions | These definitions are specific to and for purposes of this section. |
| .11 | Net Nonexempt Income | "Net Nonexempt Income" means all earned income and disability-based unearned income less applicable disregards, plus any unearned income. |

HANDBOOK BEGINS HERE

[See Chapter 44-100 to determine net nonexempt income.]

HANDBOOK ENDS HERE

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| .12 | Grant Amount | "Grant Amount" means the amount of cash aid which is to be paid to the AU for a given month. |
| .13 | Potential Grant | Potential Grant" means the subtotal after the net nonexempt income is subtracted from the MAP plus special needs for the family. The potential grant may equal the grant amount if the potential grant is equal to or less than the MAP plus any special needs for the AU only. |
| .2 | County Responsibility | The county is responsible for computing the amount of aid payment when: |
| .21 | Granted | Aid is granted or restored; |
| .22 | Redetermination | A redetermination of eligibility is made; |
| .23 | Change | There is a change in need, income, or other factors affecting the amount of aid to which the recipient is eligible. |
| .3 | Amount of Grant | The county shall calculate the amount of grant as follows: |
| .31 | "Family" MAP | Determine the Maximum Aid Payment (MAP) for all family members whose needs are considered in the payment month. The MAP is set forth in Welfare and Institutions Code Section 11450. |

HANDBOOK BEGINS HERE

.311 MBSAC and MAP Levels

(a) REGION 1 MBSAC/MAP STANDARDS

# in AU	MBSAC	EXEMPT*		NONEXEMPT*	
		MAP	80%	MAP	80%
1	381	336	268	302	241
2	624	551	440	493	394
3	775	682	545	611	488
4	920	811	648	728	582
5	1049	925	740	829	663
6	1180	1039	831	931	744
7	1296	1141	912	1023	818
8	1412	1244	995	1114	891
9	1531	1344	1075	1204	963
10 or more**	1662	1443	1154	1293	1034

REGION 2 MBSAC/MAP STANDARDS

# in AU	MBSAC	EXEMPT*		NONEXEMPT*	
		MAP	80%	MAP	80%
1	362	320	256	287	229
2	594	524	419	469	375
3	737	649	519	582	465
4	875	772	617	693	554
5	998	880	704	789	631
6	1122	989	791	886	708
7	1232	1085	868	973	778
8	1342	1183	946	1060	848
9	1456	1279	1023	1145	916
10 or more*	1581	1373	1098	1230	984

* See MPP Section 89-110.2 for definition of Exempt and Nonexempt AUs.

** For MBSAC add fourteen dollars (\$14) for each additional needy person.

MBSAC Levels effective 7/1/98, MAP Levels effective 11/1/98.

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

REGION 1 COUNTIES

REGION 2 COUNTIES

Alameda	Orange	Santa Clara	Alpine	Lake	San Bernardino
Contra Costa	San Diego	Santa Cruz	Amador	Lassen	San Joaquin
Los Angeles	San Francisco	Solano	Butte	Madera	Shasta
Marin	San Luis Obispo	Sonoma	Calaveras	Mariposa	Sierra
Monterey	San Mateo	Ventura	Colusa	Mendocino	Siskiyou
Napa	Santa Barbara		Del Norte	Merced	Stanislaus
			El Dorado	Modoc	Sutter
			Fresno	Mono	Tehama
			Glenn	Nevada	Trinity
			Humboldt	Placer	Tulare
			Imperial	Plumas	Tuolumne
			Inyo	Riverside	Yolo
			Kern	Sacramento	Yuba
			Kings	San Benito	

HANDBOOK ENDS HERE

.32 Add Special
Need Payment

Add any special need payment amounts for the family to the MAP.

44-315	AMOUNT OF AID (Continued)	44-315
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- | | | |
|-----|----------------------|---|
| .33 | Net Nonexempt Income | Round to the next lower dollar the net nonexempt income from the budget month including in-kind income. |
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HANDBOOK BEGINS HERE

(See Chapter 44-100 for computing net nonexempt income.)

HANDBOOK ENDS HERE

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|-----|---------------------------|--|
| .34 | Potential Grant | Subtract the net nonexempt income amount from the MAP plus special need for the family. This is the potential grant amount. |
| .35 | AU MAP | Determine the Maximum Aid Payment (MAP) for the AU only. The MAP is set forth in Welfare and Institutions Code Section 11450. |
| .36 | Add Special Need Payments | Add any special need payments for the AU only to the MAP. |
| .37 | Actual Grant Amount | The actual grant amount is the lesser of the potential grant amount or the sum of the MAP plus special needs for the AU only. For minor parent grant computation, see Section 89-201.5 and .6. |

HANDBOOK BEGINS HERE

.371 For additional Amount of Aid requirements applicable to pregnant or parenting minors who are Cal-Learn participants, see Section 42-762.7.

.38 Computation Examples

Example 1:

A nonexempt family of four (a pregnant mom, stepfather (father of the unborn) and her two separate children). The stepfather has gross earned income of \$775 per month, with no other income. The family lives in Region 1.

\$ 775	Earned Income for the family
- 225	\$225 Income Disregard
<u>\$ 550</u>	Subtotal
- 275	50% Earned Income Disregard
<u>\$ 275</u>	Total Net Nonexempt Income

\$ 728	"Family" MAP for four (mom, stepfather and two children) Region 1
+ 47	Special Needs AU (third trimester of pregnancy)
<u>\$ 775</u>	Total (MAP plus Special Needs)
- 275	Net Nonexempt Income
<u>\$ 500</u>	Potential Grant

\$ 611	Nonexempt AU MAP for three (Region 1)
+ 47	Special Needs for AU
<u>\$ 658</u>	Total MAP plus Special Needs

\$500	Actual Grant Amount (lesser of potential grant or AU MAP plus special needs)
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HANDBOOK CONTINUES

STANDARDS OF ASSISTANCE		Regulations
44-315 (Cont.)	AID PAYMENTS	
44-315	AMOUNT OF AID (Continued)	44-315

HANDBOOK CONTINUES

Example 2:

A nonexempt AU of three (an adult and two children) has gross earned income of \$800 per month and the children received \$300 in Social Security Disability Insurance benefits from the absent parent's disability claim. The family lives in Region 1.

\$ 300	Disability-based Unearned Income (SSDI)
- 225	\$225 Income Disregard
\$ 75	Nonexempt Disability-Based Income
\$ 800	Earned Income
- 400	50% Income Disregard
\$ 400	Nonexempt Earned Income
+ 75	Nonexempt Disability-Based Income
\$ 475	Total Net Nonexempt Income
\$ 611	Nonexempt MAP for three (Region 1)
- 475	Total Net Nonexempt Income
\$ 136	Grant Amount

Example 3:

A nonexempt AU of four (mother, father, and their two children) has gross earned income of \$775 per month. The father has \$150 in Social Security Disability benefits per month and \$300 in veteran's benefits. The family lives in Region 1.

\$ 150	Disability-Based Unearned Income
- 225	\$225 Income Disregard
\$ -75	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 775	Earned Income
- 75	Remainder of \$225 Income Disregard (\$225 - \$150)
\$ 700	Subtotal
- 350	50% Earned Income Disregard
=350	Nonexempt Earned Income
+ 0	Nonexempt Unearned Disability-Based Income
+300	Nonexempt Unearned Income (Veteran's Benefits)
\$ 650	Total Net Nonexempt Income
\$ 728	Nonexempt MAP for four (Region 1)
- 650	Net Nonexempt Income
\$ 78	Grant Amount

HANDBOOK ENDS HERE

44-315 AMOUNT OF AID (Continued)**44-315**

- .4 Special Needs The amount of the Special Needs shall be calculated as follows:
- .41 Round to the next lower dollar the amount of recurring special needs (see Section 44-211) the Assistance Unit (AU) is eligible to receive.
- .42 Payment for recurring special needs shall be added to the amount determined payable as the basic grant, provided that the allowance available for each FBU per month for recurring special needs does not exceed the amount resulting from multiplying \$10 by the number of persons in the FBU. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet nonrecurring or pregnancy special needs shall be applied to meet the cost of recurring special needs.
- .43 The amount determined in .421, up to limitation determined in .422, shall be paid in addition to the basic grant.
- .44 Round to the next lower dollar the amount of nonrecurring special needs (Section 44-211) the AU is eligible to receive.
- .45 Payment for nonrecurring special needs shall be added to the amount determined payable as the basic grant. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or pregnancy special needs shall be applied to meet the cost of nonrecurring special needs.
- .46 Payment for a pregnancy special need shall be added to the amount determined payable as the basic grant, provided that the pregnant woman has been determined to be eligible for such need in accordance with Section 44-211.4. However, any remaining excess of net nonexempt income above the maximum aid payment not utilized to meet recurring or nonrecurring special needs shall be applied to meet the cost of the pregnancy special need.

44-315	AMOUNT OF AID (Continued)	44-315
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|----|------------------------------|--|
| .5 | \$10 or More | <p>If the amount determined in Section 44-315.37 is less than ten dollars (\$10), no payment shall be paid for that month. If the beginning date of aid is after the first of the month, and the amount of aid determined in Section 44-315.37 is to be prorated, and the prorated amount is less than ten dollars (\$10), no payment shall be paid for that month. Such cases shall be considered to have received a payment for all other purposes.</p> <p>If the amount determined in Section 44-315.37 is ten dollars (\$10) or more, that amount is the total grant and, if there are no overpayment adjustments, shall be authorized as the aid payment.</p> |
| .6 | Payment in Installments | Aid need not be paid in equal installments. |
| .7 | Proration of AFDC-FG/U Grant | <p data-bbox="251 892 300 928">.71</p> <p data-bbox="251 1018 300 1054">.72</p> <p data-bbox="324 1260 381 1295">.721</p> <p>When the beginning date of aid is on the first day of the month, the recipient shall be entitled to receive a payment for the full month.</p> <p>When the beginning date of aid is after the first of the month (see Section 44-317) or when the last day of aid is before the last day of the month as in State-only AFDC-U Program (see Section 41-609), the total grant shall be prorated. The prorated grant shall be computed as follows:</p> <p>Determine the total monthly grant amount (see Section 44-315.37);</p> |

Regulations	STANDARDS OF ASSISTANCE AID PAYMENTS		44-315 (Cont.)
44-315	AMOUNT OF AID (Continued)		44-315
.722	Determine the actual number of days in the month;		
.723	Divide this number into the monthly grant amount to determine the daily grant;		
.724	Determine the total number of days for which the recipient is eligible in that month including the first and last day of aid for that month;		
.725	Multiply this number by the daily grant amount to determine the prorated grant;		
.726	If the prorated grant amount is not a whole dollar, then the prorated amount shall be rounded to the next lower whole dollar. (See Section 44-315.5 if this amount is less than ten dollars.)		

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK BEGINS HERE

.73

Reciprocal Table for Computing Partial Month's
Payments Portion of Monthly Rate or Reciprocal
Table

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
1st	1.0000	1.0000	1.0000	1.0000	1st
2nd	.9643	.9655	.9667	.9677	2nd
3rd	.9286	.9310	.9333	.9355	3rd
4th	.8929	.8966	.9	.9032	4th
5th	.8571	.8621	.8667	.8710	5th
6th	.8214	.8276	.8333	.8387	6th
7th	.7857	.7931	.8	.8065	7th
8th	.75	.7586	.7667	.7742	8th
9th	.7143	.7241	.7333	.7419	9th
10th	.6786	.6897	.7	.7097	10th
11th	.6429	.6552	.6667	.6774	11th
12th	.6071	.6207	.6333	.6452	12th
13th	.5714	.5862	.6	.6129	13th
14th	.5357	.5517	.5667	.5806	14th
15th	.5	.5172	.5333	.5484	15th
16th	.4643	.4828	.5	.5161	16th
17th	.4286	.4483	.4667	.4839	17th
18th	.3929	.4138	.4333	.4516	18th
19th	.3571	.3793	.4	.4194	19th
20th	.3214	.3448	.3667	.3871	20th
21st	.2857	.3103	.3333	.3548	21st
22nd	.25	.2759	.3	.3226	22nd
23rd	.2143	.2414	.2667	.2903	23rd
24th	.1786	.2069	.2333	.2581	24th
25th	.1429	.1724	.2	.2258	25th

HANDBOOK CONTINUES

44-315	AMOUNT OF AID (Continued)	44-315
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HANDBOOK CONTINUES

Day of the month	28-day Month	29-day Month	30-day Month	31-day Month	Day of the month
26th	.1071	.1379	.1667	.1935	26th
27th	.0714	.1034	.1333	.1613	27th
28th	.0357	.0690	.1	.1290	28th
29th		.0345	.0667	.0968	29th
30th			.0333	.0645	30th
31st				.0323	31st

EXAMPLE: The total monthly grant amount is \$150 (see Section 44-315.43). Aid is to begin on the 17th of March, and March has 31 days. The reciprocal for the 17th day of a 31-day month is .4839. The total monthly grant amount X the reciprocal = the prorated grant amount (\$150 x .4839 = \$72.5850). \$72.5850 is rounded to \$72 which is the amount of the payment (see Section 44-315.432 if the amount of the payment is less than ten dollars).

HANDBOOK ENDS HERE

.8 Suspension

.81

The county shall suspend, not discontinue, aid in the payment month when income or other circumstances in the corresponding budget month appear to result in ineligibility for only one payment month. The recipient need not reapply for aid for the month following the suspension, however, the recipient is required to complete a monthly report for the month of suspension. If it appears that the income or other circumstances from the budget month will result in ineligibility for more than one payment month, aid is discontinued.

.82

Aid payments for the month following a suspension shall be computed using prior month budgeting if the family's circumstances have not changed significantly from the corresponding budget period.

.83

Aid payments for the two months following a suspension shall be computed using concurrent budgeting if the family's circumstances have changed significantly from the corresponding budget period, e.g., loss of a job (see Section 44-313.123).

44-315	AMOUNT OF AID (Continued)	44-315
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.9 Zero Basic Grant

.91 An AU is considered to have received a cash aid payment even when:

.911 The payment is not sent due to penalty which reduced the payment to zero, or

.912 The grant amount is \$10 or less. See Section 44-315.5 regarding grants \$10 or less, or

.913 The grant for the AU is reduced to zero to adjust for a prior overpayment, or

.914 The grant based on On-The-Job Training is diverted to the employer as a wage subsidy to offset the participant's wages. See Section 42-701.2(g)(2).

NOTE: Authority cited: Sections 10553, 10554, 11209, 11450, 11450(g), 11450.018(a) and (b), 11452.018(a), and 11453, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004 (Ch. 270, Stats. 1997), 11017, 11209, 11253.5(d) and (e) (Ch. 270, Stats. 1997), 11254, 11265.8(a) (Ch. 270, Stats. 1997), 11323.4 (Ch. 270, Stats. 1997), 11450, 11450(g), 11450.01, 11450.015, 11450.018(a) and (b), 11451.018(a), 11450.03, 11451.5 (Ch. 270, Stats. 1997), 11452, 11453, and 11453(a) (Ch. 329, Stats. 1998), Welfare and Institutions Code; Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992; and Letters from the Department of Health and Human Services, Administration for Children and Families, dated February 29, 1996, March 11, 1996, and March 12, 1996.

44-316	REPORTING CHANGES AFFECTING ELIGIBILITY AND GRANT DETERMINATIONS	44-316
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.1 Required Reporting of All Changes Affecting Eligibility and Grant Determination

.11 All recipients are required to promptly report to the county any changes in eligibility or grant determination factors.

.12 Additionally, prior to the end of each budget period, the county shall request updated information from recipient families concerning all changes affecting eligibility and grant in that budget period or expected changes in subsequent budget periods. For all CalWORKs recipients, such information shall be reported on the CA 7. If the recipient fails to provide the report requested by the county by the deadline provided by Section 40-181.22, then the recipient's grant will be terminated in accordance with Confidentiality, Fraud, Civil Rights, and State Hearings Manual Section 22-C72. Though the CA 7 is not applicable to AFDC-FC, every effort shall be made by the county to insure that foster parents and children are aware of the necessity to report any change in need or income for the child.

NOTE: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 10063 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS	44-317
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When the applicant is found eligible, the following are beginning dates of aid:

.1 Basic Date of Aid Determination

.11 The beginning date of aid (BDA) shall not precede the date of application. Aid shall begin on the date of application, or the date on which the applicant meets all eligibility conditions, whichever is later.

.111 "The date of application" means the date on which the county receives a signed and dated application.

(a) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an application for AFDC benefits is deposited in a drop box, mail slot, or other reasonable accommodation in accordance with Section 11-601.311(b), the "date of application" shall be the date the application is deposited.

(b) In the event the CWD is closed during the regular eight hours of a working day as defined in Sections 11-601.214 and .215, and an applicant calls to make a request for emergency benefits in accordance with Section 11-601.313, the date of application shall be the date the telephone call is received.

HANDBOOK BEGINS HERE

(c) Example: On Friday, when the CWD is closed, an applicant deposits an application for AFDC benefits in a mail slot designated for that purpose. The application will be date stamped with Friday's date or it will be otherwise indicated on the application that it was received on Friday, the date of application. Had the applicant made a request for Homeless Assistance, Food Stamp Expedited Services, Medi-Cal, or AFDC Immediate Need via the local telephone service on Friday, the date of application would be Friday and the application would have to be processed within established time frames.

HANDBOOK ENDS HERE

.112 "The date on which the applicant meets all eligibility conditions" means the date all linking and nonlinking factors of eligibility are met (see Section 40-107.3), even though verification or documentation of the eligibility condition is received at a later date. Technical conditions of eligibility, as specified in MPP 40-129.214, met at a later date are considered to be met on the date of application as long as they are completed by the date of authorization except for social security enumeration. Social security enumeration requirements must be met within 30 days of the application for assistance if aid is to begin on the date of application. (For social security enumeration requirements, see Section 40-105.2.)

44-317 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317

HANDBOOK BEGINS HERE

- (a) At the time these regulations were promulgated, social security enumeration, application for unconditionally available income (including UIB), work registration of the principal earner who is exempt from GAIN due to remoteness, work registration of the nonfederal principal earner, and cooperation with the District Attorney in accordance with MPP 43-201.1 were the only technical conditions of eligibility. If any new technical conditions of eligibility are established, this handbook section will be amended.

- (b) Example: A family applies for AFDC on April 3. The county schedules the face-to-face interview on April 10. At that time the county determines that on April 3 the applicant had \$1200 in a bank account, but on April 6 the bank account was down to \$900. The beginning date of aid for this family is April 6, since it was on that date that the family met the eligibility requirement for the AFDC Program.

- (c) Example: A family applies for AFDC on November 10. All family members meet the eligibility requirements except for the youngest child who does not have an SSN. On November 20, the CWD authorizes aid for everyone but the one child because verification of a completed application for an SSN had not been received. On December 10, the CWD received a copy of the MC 194 which indicated that an application for an SSN was completed on November 15 and is being processed. The county rescinds the denial for the child and authorizes aid effective November 10.

HANDBOOK ENDS HERE

.113 The beginning date of aid for each member of the AU may vary.

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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HANDBOOK BEGINS HERE

- (a) Example: A family applies for aid on September 1. The family consists of mother, her two children, her husband and their common child. The husband is the principal earner but does not have a connection to the labor force. The common child received three months of State-only AFDC-U within the last 12 months and will not be eligible to be aided again until September 16. All eligibility conditions were met as of the date of application. The beginning date of aid will be September 1 for mother and her two children. The husband can be aided as an essential person stepparent effective September 1. The common child will be added to the AU on September 16.
- (b) Example: Same scenario as 44-317.112(c). However, on December 20, the county receives a copy of the MC 194 which indicates that an application for an SSN was completed on December 12 and is being processed. The county authorizes aid for the youngest child beginning December 12.
- (c) Example: Mother gave birth on January 4. She was discharged from the hospital on January 7. She had not been receiving a pregnancy special need; nor did she report the birth to the county until March 9, at which time she submitted verification that her child had been enumerated at birth. The beginning date of aid for the child is March 9.

HANDBOOK ENDS HERE

- .114 The BDA shall be the date of application or date of eligibility, whichever is later, for persons whose eligibility determination remains pending and aid is granted to the remaining AU.

.2 Aid Begins on a Specified Date

- .21 For a pregnant woman with no other eligible children, the beginning date of aid shall be the date of application, providing the pregnant woman is eligible on that date.
- .22 When the mother of a newborn is being aided as a pregnant woman in accordance with MPP 44-205.6 or is receiving a pregnancy special need payment in accordance with MPP 44-211.6 in the month of birth:
 - .221 Aid for the otherwise eligible newborn begins on the date of birth, or the date all conditions of eligibility are met, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date; and

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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- .222 Aid for the otherwise eligible father begins on the date of the newborn's birth when he is living with the assistance unit on that date or the date the father meets all conditions of eligibility, whichever is later, even though verification or documentation of the conditions of eligibility is received at a later date.
- .3 Aid is Granted on Intercounty Transfer

Aid is paid from the first of the month following discontinuance by the other county.
- .4 Change in Type of Assistance

Aid is paid from the first of the month following the effective date of discontinuance under the previous program.
- .5 Applicant to Leave Public Institution Where He is Ineligible --(Repealed -- Manual Letter No. 77-001)
- .6 Intraprogram Status Changes
 - .61 Transfer from Medically Needy to AFDC Cash Grant Recipient
 - .611 The cash grant shall be paid from the date of application or date all eligibility conditions are met, whichever is later.
 - .62 Transfers Between AFDC (FG or U) and AFDC-FC
 - .621 The BDA for a child converting from AFDC-FC to AFDC-FG or U shall be the date he/she is placed in his/her parent's or relative's home or the date eligibility conditions are met, whichever is later.
 - .622 When a child in an FBU is moved to foster care, the effective date of AFDC-FC assistance is the date he/she is placed in an AFDC-FC eligible facility and is otherwise AFDC-FC eligible.
 - .623 When a child is transferring from AFDC-FC to AFDC-FG/U, or vice versa, but remains in the home of the same related caretaker, the effective date of program transfer is the first of the month following the request for change of program. (See Section 45-202.212(a).)

44-317	BEGINNING DATE OF AID FOR NEW APPLICATIONS (Continued)	44-317
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.63 Transfers from EA-UP to AFDC

.631 AFDC is paid beginning the day following the day on which EA-UP eligibility expires. See Section 41-500.

.7 Aid Granted on Basis of Immediate Need After Determining Eligibility or Apparent Eligibility -- Has been Deleted per Manual Letter No. 79-58.

.8 Previously Denied Application is Approved

.81 Aid shall be paid from the date it would have been paid in accordance with the beginning date of aid regulations in effect at the time the application was denied.

.9 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.10 Effective Date of Medical Assistance Certification

The effective date of the certification for Group I Medical Assistance for the applicant who has been found eligible for a cash grant is whichever of the following is later: (a) the first of the month of application, or (b) the first of the month in which there is eligibility (linkage).

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11209, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, and 11056, Welfare and Institutions Code; 45 CFR 205.42(d)(2)(A), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 206.10; 45 CFR 233.10(a)(1); 45 CFR 233.20(a)(1)(ii); 45 CFR 233.60; 45 CFR 233.90(c)(2)(i); and Blanco v. Anderson Court Order, United States District Court, Eastern District of California, No. CIV-S-93-859 WBS, JFM, dated January 3, 1995.

44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU	44-318
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.1	Beginning Date of Aid	The BDA shall be:
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.11	Mandatorily Included Persons	The date the person joins the AU or the date all eligibility requirements are met, whichever is later, for a person who is required to be included in the AU.
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.12	Optional Persons	The date of application or the date all eligibility requirements are met, whichever is later, for a person who has the option to be included in the AU.
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44-318	BEGINNING DATE OF AID (BDA) FOR PERSONS BEING ADDED TO THE AU (Continued)	44-318
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|-----|---|---|
| .13 | Sanctioned/
Noncooperating Persons | The date the person meets the requirement which caused that person to be excluded from the AU, or the date the person meets all eligibility conditions, whichever is later. |
| .14 | Unreported Mandatorily
Included Person | The date the person meets all requirements for eligibility when he/she is required to be included in the AU but aid was not requested. Eligibility conditions are considered to have been met from the date the individual was discovered in the home, providing he/she is cooperating in meeting those conditions. |
| .15 | Newborn Child | The date of birth for a newborn child when his/her mother received pregnancy special need or the date all eligibility requirements are met, whichever is later. |
| .16 | Father of a Newborn | The date the newborn child becomes eligible, or the date the father meets eligibility conditions, whichever is later. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11056, Welfare and Institutions Code; 45 CFR 233.10 and .20(a)(13); Federal Register, Vol. 57, No. 131; and SSA-AT-86-01.

44-319	INITIAL PAYMENTS	44-319
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|-----|--|--|
| .1 | Initial Payment -- Defined -- An initial payment is: | |
| .11 | The first payment made on new applications and restorations; | |
| .12 | The first payment for a child transferred from a boarding home to a family budget unit; | |
| .13 | The first payment for the addition of a child to a family budget unit already receiving AFDC, or for the addition of a needy relative (if none has been included before) whether or not the actual payment is increased. | |

44-319	INITIAL PAYMENTS (Continued)	44-319
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.2 When Initial Payment is Made

An initial payment shall be delivered within the month for which aid is granted or restored, or not later in the following month than the time such payment is required to be delivered in accordance with Section 45-303.1.

.3 Retroactive Initial Payment

An initial payment includes aid for prior months if retroactive aid is authorized because:

- .31 Aid was granted on appeal to the State Department of Social Services;
- .32 The State Department of Social Services concurs in a county recommendation that retroactive aid be paid to adjust an appeal;
- .33 An application for aid has been denied and corrective action is being taken;
- .34 The investigation was not completed by the end of the month following the date on which the application was made or the end of the month following the date on which the applicant became eligible if such is later than the date of application.

44-325	CHANGES IN AMOUNT OF PAYMENT	44-325
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.1 When Change is Effective

When any change in the recipient's circumstances requires a change in grant, or a discontinuance of aid, the appropriate change or discontinuance is to be made effective as soon as proper notice can be given in accordance with Sections 22-022 and 22-021.2.

.2 Has been deleted.

.3 Discontinuance

If a recipient's circumstances change to the extent that he no longer meets the eligibility requirements, aid shall be discontinued effective the last day of the month for which the last payment was made (see EAS Section 40-183.4 regarding appropriate action when the recipient is no longer eligible for cash grant but remains eligible for medical assistance as a medically needy person).

.4 Has been deleted.

.5 Cancellation or Reduction of the Second Installment of a Month's Aid Payment

44-325	CHANGES IN AMOUNT OF PAYMENT (Continued)	44-325
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- .51 The second installment of a month's aid payment is normally not cancelled or reduced, except when:
 - .511 Ineligibility for the first installment was discovered too late to give proper notice under Section 22-022; or
 - .512 Payment of the first installment was made because the payment date was within the termination notice period. For example, see Section 41-440.71; or
 - .513 An overpayment would occur if the second installment is not cancelled or decreased.
- .52 Any cancelled warrant or reduced payment is subject to all notice requirements as outlined in Section 22-022.

44-327	DELAYED PAYMENT	44-327
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When payment of a warrant is delayed because of changes in circumstances not related to continuing eligibility or to the correctness of grant, the county shall immediately take whatever action is necessary to determine the changed circumstances and issue the payment at the earliest possible date.

.1 Federal and State Participation

Federal and state participation in AFDC is available for the delayed payment only if it is released within whichever of the following occurs first:

- .11 One calendar month after the county receives information upon which it can act indicating there has been a change in circumstances, or
- .12 Two months succeeding the month for which the payment was issued.

.2 Factors Causing Delay in Payment

Factors which may cause delay in payment within the meaning of this section include:

- .21 Change of address of recipient -- warrant is returned to the auditor's office and the county is so notified.
- .22 A change in payee.
- .23 A transfer of county responsibility for aid payment -- the second county inadvertently fails to begin aid on the due date and pays retroactive aid from that date.

44-327	DELAYED PAYMENT (Continued)	44-327
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- .24 Death of a recipient -- when reissuance of the warrant is appropriate but not possible until the person entitled to the warrant is determined under Probate Law, the limitations specified in .11 and .12 above are not applicable (see Sections 25-310.3 and 25-520.7).
- .25 The complete CA 7 (see Section 40-181.241) is received after the tenth day prior to the end of the report month regardless of good cause - the first warrant shall be mailed in accordance with Section 44-305.221a or 44-305.222a.

44-340	UNDERPAYMENTS	44-340
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.1 General

- .11 An underpayment shall be corrected in accordance with the regulations in effect on the date of discovery.
- .12 Underpayments occur when the applicant or recipient receives less than the amount to which he/she is entitled in a given month or months. Failure to apply for or request aid does not create an underpayment.
- .13 The county shall take all reasonable steps necessary to correct promptly any underpayment that comes to the county's attention.
 - .131 Any underpayment which is due to the erroneous denial of an application for aid shall be corrected even though the applicant failed to perform an act constituting a condition of eligibility when such failure was caused by the denial. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
 - .132 For the purpose of determining the beginning date of aid for correcting an underpayment which is due to the erroneous denial of an application, see Section 44-317.8.
- .14 A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an underpayment determination. If there is a computational error, the payment shall be corrected.

44-340 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-340	UNDERPAYMENTS (Continued)	44-340
.2	Investigation of Underpayments	
	.21 When there is a reason to suspect that an underpayment may have occurred, the worker must investigate and determine whether an underpayment did occur.	
.3	Calculating the Underpayments	
	The calculation of the underpayment is as follows:	
	.31 Calculate the correct grant for each month in question, compare the correct grant to the amount actually paid to the recipient for each month; and if the amount to the recipient in any month is less than the correct grant for that month, an underpayment exists.	
.4	Correction of the Underpayment	
	.41 Underpayments are corrected through retroactive payments.	
	.42 If an assistance unit has both an underpayment and an overpayment, the county shall balance one against the other before making a retroactive corrective payment.	
	.43 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)	
	.44 The month of discovery is the month in which the county obtained any information which could have reasonably led to a determination that an underpayment occurred.	
	.45 (Repealed by Manual Letter No. 82-26, effective 04/02/82.)	
.5	(Repealed by Manual Letter No. 82-26, effective 04/02/82.)	
.6	For purposes of determining continued eligibility and amount of assistance, retroactive payments shall not be considered as income or as a resource in the month paid nor in the next following month.	
.7	Repealed by DSS Manual Letter No. EAS-89-06, effective 10/1/89.	

44-350	OVERPAYMENTS -- GENERAL	44-350
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.1 General

- .11 Any overpayment which occurred prior to April 2, 1982 and which is determined to be nonwillful, in accordance with regulations in effect during the month that the overpayment occurred, shall not be recouped except through voluntary repayment.
- .12 For any willful overpayment which was discovered prior to April 2, 1982 and the maximum adjustment period had not expired prior to April 1982, adjustment shall be continued as long as necessary to recover the overpayment.
- .13 For any overpayment, except those described in 44-350.11, which is discovered on or after April 2, 1982, the overpayment shall be recouped in accordance with regulations in effect on the date of discovery.
- .14 When the overpayment is determined to be due to excess property, the overpayment is to be recouped in accordance with the regulations in Section 44-352.11.
 - .141 For cases in which an overpayment caused by excess property was recouped under former MPP Section 44-352.11, which was effective on April 2, 1982, the county shall take the following steps:
 - (a) Recompute the overpayment in accordance with the April 1986 amendments to Section 44-352.11;
 - (b) Determine if the revised overpayment is less than the overpayment computed under the April 2, 1982 regulations.
 - (c) If the revised overpayment is less, issue a payment to correct the underpayment for any amount which has actually been recouped which exceeds the revised overpayment amount.

HANDBOOK BEGINS HERE

Note: In accordance with the Edwards v. McMahon final court order, payments are to be issued to correct underpayments even when the family is not currently aided.

HANDBOOK ENDS HERE

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- .142 The case review, recomputation, and correction of any underpayments shall be completed as soon as possible and not later than the deadlines set forth below:
- (a) The date of the next annual redetermination of eligibility or the date of termination, whichever is earlier, for all current recipients on the effective date of this regulation;
 - (b) Sixty days from the date aid is granted for reapplications and requests for restoration of aid within one year of the effective date of this regulation;
 - (c) Sixty days from the date of a request for review in all other cases.
- .15 An overpayment is any amount of any aid payment an AU received to which it was not eligible. An overpayment may be all or a portion of an aid payment. This includes, but is not limited to, an immediate need payment, a special need payment or aid paid pending a state hearing.
- .151 An overpayment shall not include aid paid where all four of the following prerequisites are met:
- (a) An applicant or recipient fails to perform an act constituting a condition of eligibility for aid. Acts which constitute conditions of eligibility shall include, but are not limited to those contained in Sections 40-105.21, 42-625, 43-106, 43-119.23, 44-103.23, and .24.
 - (b) The applicant's/recipient's failure to perform an act constituting a condition of eligibility is caused by a state agency error or by a County Welfare Department (CWD) error, and not by an applicant/recipient error.
 - (1) "State agency error," for purposes of this section is the agency's failure to promptly notify the CWD that the applicant/recipient does not or no longer meets a specific condition of eligibility.

HANDBOOK BEGINS HERE

- (A) For example: EDD fails to notify the CWD that an applicant/recipient has been deregistered from Job Services (JS).

HANDBOOK ENDS HERE

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- (2) "CWD error," for purposes of this section, is the CWD's failure to inform an applicant/recipient that he/she must perform an act which constitutes a condition of eligibility.
- (3) "Applicant or recipient error," for purposes of this section, shall occur only when the applicant or recipient was notified, either verbally or in writing, of the need to perform the act which constitutes a condition of eligibility and did not perform the act in question after notification, within a reasonable period of time under the circumstances.

HANDBOOK BEGINS HERE

- (A) For example, where a child becomes six years old on April 6 and the CWD informs the parent of the requirement to WIN register on July 12, the parent's failure to WIN register in July would probably be a "recipient error" and, therefore, cause an overpayment for July. However, if the parent is informed of the WIN registration requirement on July 29, a failure to register within that month would probably not be a "recipient error" and there would be no overpayment for July because the recipient did not have a reasonable period of time to WIN register before the end of the month. In either case, there is no overpayment for April, May and June.

HANDBOOK ENDS HERE

- (c) The amount of aid paid would have been the same had the act constituting the condition of eligibility been performed.
 - (d) The state agency or CWD error is discovered or an overpayment is being calculated or an overpayment is being recouped on or after January 1, 1985.
- .16 The county shall take all reasonable steps necessary to promptly correct and collect any overpayments that are known to the county including recovery of overpayments due to either applicant/recipient and/or county administrative errors, with the following exceptions:
- .161 The county shall not demand collection of nonfraudulent overpayments totaling less than \$35 from individuals no longer receiving aid. Where the nonfraudulent overpayment amounts owed by the individuals no longer receiving aid is \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines that the cost to collect the overpayment exceeds the amount to be recovered.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- (a) Counties shall maintain information regarding the uncollected overpayments to enable recoupment should any individuals from the prior overpaid AU reapply.
- (b) Costs which counties shall consider when determining the cost effectiveness to collect are total administrative and personnel costs, legal filing fees, investigative costs, and any other costs which are applicable.

.162 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.17 A reduced income supplemental payment which was correctly computed, based on the assistance unit's reasonable estimate of the income and other circumstances for the payment month, shall not be subject to an overpayment determination. If there is a computational error, the payment shall be corrected.

.2 Definitions (in Alphabetical Order)

- a) Action for Civil Judgment - The action taken by the appropriate county official to take the recipient or former recipient to court.
- b) Administrative Error Overpayment - Except as provided in Section 44-350.151, an overpayment caused by error on the part of the county when all information necessary to a correct determination of the grant was in the possession of the county.
- c) Aid - The amount of assistance issued to a recipient.
- d) Balancing - A method for the recovery of all or a portion of an overpayment by applying it against a repayable underpayment.
- e) Demand for Repayment - The notification to a recipient or former recipient that an overpayment occurred for which there is a right for judicial restitution. Where demand for repayment is appropriate, it may be used concurrently with other methods of adjustment.
- f) Grant Adjustment - Recovery of an overpayment by reducing the grant of a presently eligible individual or family.
- g) (Reserved)
- h) (Reserved)

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- i) Month of Discovery - The month of discovery is the month in which the county obtained, or could have obtained by taking prompt action, information sufficient to support a determination both that an overpayment occurred and the amount of such overpayment.
- j) Nonfraudulent Overpayment - An overpayment which is not determined to be fraudulent pursuant to MPP 20-003.1.

HANDBOOK BEGINS HERE

MPP 20-003.1 provides that fraud exists when a person, on behalf of himself or others, has:

- (1) Knowingly and with intent to deceive or defraud made a false statement or representation to obtain benefits, obtain a continuance or increase of benefits, or avoid a reduction of benefits.
- (2) Knowingly and with intent to defraud failed to disclose a fact which, if disclosed, could have resulted in denial, reduction, or discontinuance of benefits.
- (3) Accepted benefits knowing he/she is not entitled thereto, or accepted any amount of benefits knowing it is greater than the amount to which he/she is entitled.
- (4) For the purpose of obtaining, continuing, or avoiding a reduction or denial of benefits, made statements which he/she did not know to be true with reckless disregard of the truth.

HANDBOOK ENDS HERE

- k) Recovery - Grant adjustment, voluntary grant offset, voluntary cash recovery, demand for repayment, action for civil judgment and balancing.
- l) Unlocatable - Means either of the following:
 - (1) When the county is unable to determine the physical whereabouts of the caretaker relative; or
 - (2) When the county is able to locate the caretaker relative, but unable to execute a legal process to collect.
- m) Voluntary Cash Recovery - Repayment voluntarily made to the county by a recipient who has incurred an overpayment.

44-350	OVERPAYMENTS -- GENERAL (Continued)	44-350
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- .31 Review the eligibility and grant factors to find what the correct grant amount should have been;
- .32 Calculate the overpayment;
- .33 Determine from whom the overpayment may be recovered (see Section 44-352.3);
- .34 Determine the appropriate recovery method and the amount to be recovered.
- .35 If appropriate (see Section 44-352.5), initiate any referrals to the SIU for an investigation.

.4 Aid Paid Pending

Aid paid pending a state hearing decision (see Section 22-022) is a recoverable overpayment except to the extent that the claim is granted. However, the amount of a proposed overpayment adjustment which is stopped because of a recipient's timely request for a state hearing is not an overpayment.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11004 (Ch. 270, Stats. 1997), and 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and Administration for Children and Families (ACF) Action Transmittals (AT) 94-11 and 94-20.

44-351	METHODS OF OVERPAYMENT RECOVERY	44-351
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In addition to grant adjustment and demand for repayment which are discussed in Section 44-352.4 the following methods of recovery apply to all overpayments:

.1 Voluntary Cash Recoveries

Voluntary cash recovery should be explained by the county to a recipient (or former recipient) but no request for voluntary payment should be made.

- .11 If a recipient or former recipient offers to repay all or a portion of an overpayment which is not subject to grant adjustment or a demand for repayment and action for civil judgment, the following apply:
 - .111 An agreement made with the recipient shall be in writing and shall clearly indicate to the individual that the repayment is voluntary.

44-351	METHODS OF OVERPAYMENT RECOVERY (Continued)	44-351
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- .112 The recipient is not required to fulfill any voluntary agreement he/she enters into and may suspend at any time payments he or she has agreed to make.

- .2 Voluntary Grant Offset

Voluntary grant offset should be explained by the county to those recipients who have available income and resources when the overpayment could not be recovered in the appropriate adjustment period. However, no request may be made for voluntary repayment.

- .21 If the recipient offers to repay the remaining overpayment by foregoing all or a portion of a grant to which he or she is eligible, the following apply:

- .211 The county shall obtain in writing an agreement to repay. Such agreement shall clearly indicate to the individual that repayment is voluntary.

- .212 The recipient is not required to fulfill any agreement he/she enters into and may request payment of the full grant to which he/she is eligible at any time.

- .3 Balancing

When an assistance unit has both an overpayment and an underpayment, the county shall offset one against the other.

44-352	OVERPAYMENT RECOUPMENT	44-352
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- .1 Calculation of the Overpayment

When it is determined that an overpayment exists, calculate the amount of the overpayment and determine the appropriate methods of recovery.

- .11 Overpayment due to "excess property"

- When a recipient has held property in excess of eligibility limits, the overpayment shall be calculated as follows:

- .111 Determine the period of time in which the recipient held property exceeding the property maximums.

44-352 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352

- (a) For the purposes of this section, the period that the recipient held excess property includes all months in which the total property value of the same items of property exceeds limits on the first day of the month, even though there may be intervening months in which the total property value is below limits. Fluctuations in the value of individual items of property shall not affect the determination of the period of time that the recipient held excess property, so long as the same items of property are included in the total property valuation. If the recipient disposes of an item of property or acquires an item of property, a new period begins and separate calculation is required.
- .112 Determine the month within the period in which the property value, on the first day of the month, was the highest and calculate the amount by which the property exceeded the eligibility limit.
- .113 Calculate the total amount of aid actually paid to the recipient during the months excess property was held, subtracting any support payments or other money received by the county which was credited against the aid payment for those months.
- .114 Determine whether the recipient received aid in "good faith". The determination of "good faith" receipt of aid shall be based on a preponderance of evidence establishing that the recipient believed himself/herself to be eligible to the aid received. The county shall consider information in the case record and all other available information, including an interview with the recipient if he/she is available and willing to cooperate. The determination of "good faith" receipt of aid shall be reasonable, objective, and drawn from all available information.
- (a) The county shall not determine that a recipient has received aid in "good faith" in cases where the county has informed the recipient of his/her reporting responsibilities and, under the circumstances, the recipient knew of his/her reporting responsibilities and failed to report within his/ her competence. See Section 40-105.

44-352 OVERPAYMENT RECOUPMENT (Continued)

44-352

HANDBOOK BEGINS HERE

- (1) The following are examples of questions to be considered in making the determination. Not all questions necessarily apply in all situations.
- (A) How was the recipient informed of his/her reporting responsibilities? E.g., Mass Mailing? Personal Intake Interview? Home Visit? Never?
 - (B) Is there information in the case record which indicates the recipient's apparent understanding of his/her reporting requirements with regard to property?
 - (C) What is the recipient's history of reporting?
 - (D) Did the recipient know the value of the property in question?
 - (E) Did county actions contribute to the situation causing the overpayment?
 - (F) Is there other information about the recipient's situation that would have an influence on the determination (i.e., language/age barrier)?

HANDBOOK ENDS HERE

- .115 If the county determines that the recipient received aid in "good faith", in accordance with .114 above, the amount of the overpayment is the lesser of the amount of excess property calculated in .112 above or the total grant paid as calculated in .113 above.

HANDBOOK BEGINS HERE

- (a) Recipient owned several stocks which fluctuated in value. At the time of her eligibility determination in January the combined value of her property, including stocks, was computed to be \$1,850. She was granted aid of \$100 per month. At her redetermination the following January, her property was investigated in detail. It was found that twice during the prior year her total property value had exceeded the property limit, both times due to fluctuations in stock value. In March, her total property was worth \$2,075 and in July worth \$2,010. Because the overpayment was caused by the same property in both cases, the two ineligible months, although not consecutive, are considered one "period".

HANDBOOK CONTINUES

44-352 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS	Regulations
44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352

HANDBOOK CONTINUES

The total grant paid for the ineligible months is \$200. The amount by which the excess property exceeded the property limit in the month the property value was the highest is \$75. The overpayment to be recouped is the lesser amount, in this case \$75.

HANDBOOK ENDS HERE

- .116 If the county determines that the recipient did not receive aid in "good faith", the amount of the overpayment shall be the total grant paid during the month(s) the excess property was held, as calculated in .113 above.
- .12 Overpayment due to income or need or circumstances other than excess property.
- .121 Compute the correct grant amount based on correct information for the month involved in the overpayment. If the recipient was totally ineligible for that month, the correct grant amount is zero (0).

In this computation, allow all income disregards which would have been allowed if the grant had been computed correctly. The regulations in effect at the time the overpayment occurred shall be used to determine the correct amount of the grant, with the following exceptions:

- a. Regulations subsequently invalidated by a court decision shall not be used in determining the correct grant for the applicable period(s) as required by the court decision. Instead, the instructions (e.g., All-County Letter, regulations, etc.) implementing the court decision shall be used.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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- b. If the overpayment occurred prior to January 1, 1998, and if the overpayment is due to any earned income that the recipient failed, without good cause, to report timely, no earned income disregards shall be allowed for that individual in that month.

HANDBOOK BEGINS HERE

Earned income disregards in effect prior to January 1, 1998 were: 1) \$90 standard work expense disregard, 2) \$30 and 1/3 earned income disregard, 3) extended \$30 income disregard, and 4) child and dependent care disregard (\$200 per month for children under 2 and \$175.00 per month for older children and other dependents).

HANDBOOK ENDS HERE

- .122 Subtract the correct grant amount from the amount of aid actually paid.
- .123 Subtract any support payments or other money received by the county and credited against the aid payment from the aid actually paid.
- .124 The total overpayment for each month is the lesser of the amount computed in Sections 44-352.122 or .123.
- .125 The total overpayment is the sum of all amounts calculated in Section 44-352.124.

STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-352 (Cont.)		
44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352

HANDBOOK BEGINS HERE

EXAMPLES

<u>Factors</u>		<u>Computations</u>	
	<u>Aid Paid</u>	(.121) <u>Correct Grant</u>	(.122) <u>Potential/Actual Overpayment</u>
1. Earned Income		\$1,025	
Reported Income		1,025	
Income Disregard		- 225	
Subtotal		800	
50% Earned Income Disregard		- 400	
Total Net Nonexempt Income			
400			
MAP for Five	\$767	\$ 767	
Total Net Nonexempt Income		- 400	
Aid Payment	\$767	\$ 367	
Potential Overpayment (Aid Paid Less Correct Grant)			\$ 767 - 367 \$ 400
Support Payment (.123)	\$100		
Unreimbursed Grant (Aid Paid Less Support Payment)	\$667		
Actual Overpayment (Lesser of Unreimbursed Grant or Potential Overpayment)			\$ 400

HANDBOOK CONTINUES

HANDBOOK CONTINUES

EXAMPLES

<u>Factors</u>		<u>Computations</u>	
		(.121) Correct <u>Grant</u>	(.122) Potential/Actual <u>Overpayment</u>
2.	Earned Income	\$ 500	
	Reported Income	\$ 500	
	Income Disregard	- 225	
	<u>Subtotal</u>	275	
	50% Earned Income Disregard	- 138	
	Total Net Nonexempt Income	137	
	MAP for Three	\$ 565	
	Total Net Nonexempt Income	- 137	
	Aid Payment	428	
	Potential Overpayment (Aid Paid Less Correct Grant)		\$ 565 -428 \$ 137
	Support Payment (.123)	\$500	
	Unreimbursed Grant (Aid Paid Less Support Payment)	\$65	
	Actual Overpayment (Lesser of Unreimbursed Grant or Potential Overpayment)		\$ 65

HANDBOOK ENDS HERE

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.2 Amount That Can Be Recovered

The amount that can be recovered is the total amount calculated under 44-352.11 or 44-352.12, with the following exceptions:

.21 Collection of overpayments shall not be demanded from any individual of the overpaid AU no longer receiving aid when:

.211 The overpayments are nonfraudulent; and

.212 The total amount of the overpayments is less than \$35.

.22 Where the nonfraudulent overpayments owed by any individual no longer receiving aid totals \$35 or more, the county shall send a demand notice for repayment. No further collection efforts shall be made if the county determines it is not cost effective to collect the overpayment (see MPP 44-350.161[b]).

.3 Priority Order For
Overpayment Recoupment

Overpayments shall be recouped in the following priority order unless specifically exempted under Section 44-352.2.

.31 Caretaker Relative
Recipient

When the caretaker relative was a member of the AU at the time of the overpayment, the county shall first seek recoupment from the caretaker relative recipient.

.311 Recovery

The county shall continue to seek recovery of the overpayment from the caretaker relative even when he/she:

(a)

Moves to another AU, or

(b)

Is no longer on aid.

.312 Members of
the AU

The county shall only initiate recovery of the overpayment from the other members of the overpaid AU after all efforts to collect from the caretaker relative recipient have been exhausted, and the caretaker relative recipient:

(a)

Dies and the county cannot collect the entire unpaid balance of the overpayment from the caretaker relative's estate; or

(b)

Is unlocatable; or

HANDBOOK BEGINS HERE

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| (1) | In locating former recipients who have outstanding overpayments, appropriate data sources include, but are not limited to: State Employment Insurance Records; State Department of Revenue Records; State Department of Motor Vehicle Records; and Payment Verification System. |
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HANDBOOK ENDS HERE

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| (c) | Has the overpayment discharged in bankruptcy; or |
| (d) | Is no longer on aid; the overpayment is less than \$35 pursuant to Section 44-352.211, and there are other members of the overpaid AU who remain on aid; or |
| (e) | Is no longer on aid, and the county has determined that it is not cost effective to collect the overpayment from the caretaker relative pursuant to Section 44-352.22. |
| .32 Unaided Caretaker Relative | When the caretaker relative was not a member of the AU at the time of the overpayment, the county shall seek recovery from the members of the overpaid AU as specified under Section 44-352.33. |
| .33 Recovery from AU Members | There shall be no priority order in seeking collection of the overpayment from members of the overpaid AU who were not the caretaker relative. |
| .331 Sequential/
Concurrent | Collection may occur in sequence against any one member at a time or concurrently from any of the members, when in separate AUs or when not receiving aid. |
| .4 Methods of Recovery | All of the following methods may be used concurrently. However, those methods should be used that will result in the maximum recovery. |

44-352 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-352	OVERPAYMENT RECOUPMENT (Continued)		44-352
.41	Grant Adjustments	If the overpayment is to be recovered by grant adjustment, the following method shall be used:	
.411	Agency Error	For overpayments caused by agency error,	
(a)		The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 5% of the MAP amount for the AU rounded to the next lower dollar.	
.412	Other	For all other overpayments,	
(a)		The AU's adjusted grant amount is the AU's computed grant amount for the payment month minus 10% of the MAP amount for the AU rounded to the next lower dollar.	
.413	Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.		
.414	Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.		
.415	Step Five	The overpayment shall be adjusted from the current aid payment. The adjustment shall be the lesser of the following:	
(a)		The overpayment balance, or	
(b)		The maximum adjustment amount, or	
(c)		The current aid payment.	
.416	Step Six	Any remaining overpayment balance shall be applied to succeeding months and the adjustment process shall be repeated.	
.42	Balancing - See Section 44-351.3.		
.43	Demand for Repayment		
Using the appropriate Notice of Action form, the county shall demand repayment of any amount not recovered by grant adjustment, or otherwise repaid, except that no demand shall be made for nonwillful overpayment due to factors other than excess property that occurred prior to April 2, 1982.			

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.44 Civil Judgment

.441 If the recipient or an individual no longer receiving aid refuses or is unable to repay the amount demanded, the county shall refer the case to the appropriate county official for action on a civil judgment, unless specifically exempted under MPP 44-352.2.

- (a) An abstract of civil judgment shall be recorded pursuant to Section 674, Code of Civil Procedure, in any county in which the recipient or former recipient owns real property.
- (b) If a recipient is ineligible for further aid due to current income, property or other factors affecting eligibility, the county shall take all appropriate action pursuant to Section 681, et seq., Code of Civil Procedure, to execute the judgment.

HANDBOOK BEGINS HERE

- (c) Except that if the recipients' sources of income include Social Security or SSI/SSP benefits, these benefits are exempt from collection and will not be used to repay an overpayment unless agreed to by the client.

HANDBOOK ENDS HERE

.45 Nothing in .43 or .44 above shall preclude the county from arriving at a reasonable settlement of its demand for repayment with the recipient or former recipient.

.46 Voluntary Cash Recovery - See Section 44-351.1.

.47 Voluntary Cash Offset - See Section 44-351.2.

.5 Referral to Special Investigative Unit (SIU).

HANDBOOK BEGINS HERE

.51 Chapter 20-000 through 20-009 discusses referrals to the Special Investigative Unit and referrals to law enforcement officials. Chapter 20-350 discusses referrals made in cases of alleged IPV.

HANDBOOK ENDS HERE

.511 All overpayments determined to be caused by an applicant's or recipient's failure to report information shall be referred to the SIU, including overpayments caused by an alleged IPV.

44-352	OVERPAYMENT RECOUPMENT (Continued)	44-352
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.52 The Determination of Failure to Report.

.521 A failure to report occurs when the recipient has:

- a. Made oral or written misstatements in response to oral or written questions from the county or state concerning his/ her income, resources or other circumstances which may affect the eligibility or grant amount; or
- b. Failed to report changes in income, resources or other circumstances which may affect the amount of the grant; or
- c. Failed to report receipt of a grant amount which he/she knew represented an erroneous payment.

NOTE: Authority cited: Sections 10553, 10554, and 11004(h), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11004, 11008 (Ch. 270, Stats. 1997), 11017, 11155, 11155.1, 11155.2, 11257, 11450, 11451.5, 11452, 11453, and 11453.2, Welfare and Institutions Code; Darces v. Woods (1984) 35 Cal.3rd 871:201 Cal.Rptr. 807, and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-353	OVERPAYMENTS TO SPONSORED ALIENS	44-353
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.1 Liability for Overpayments

- a. The sponsor of an alien and the alien are jointly and individually liable for any overpayment due to the sponsor's failure to provide correct information for determination of eligibility or grant amount except as provided below.
- b. If it is determined that the sponsor is without fault or had good cause for failure to report correct information, then the sponsor shall not be liable for the overpayment.
- c. A sponsor will be without fault or have good cause for not providing correct information only when the sponsor has met all his/her reporting responsibilities but the alien has not.
- d. A sponsor shall not be liable for an administrative error overpayment.

44-353	OVERPAYMENTS TO SPONSORED ALIENS (Continued)	44-353
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.2 Recoupment of Overpayments

- a. An overpayment for which the sponsor and the alien are liable shall be recovered from either the sponsor or the alien by any method described in Section 44-352.4.
- b. An overpayment for which the sponsor is not liable shall not be recovered from the sponsor.

44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT	44-355
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| .1 | Mandatory Person -
Presence Unknown | The county shall complete the following when a person required to be included in the AU is discovered in the home. |
| .11 | Reinform AU | Upon discovery, reinform the AU in writing that the discovered person is required to be included on the appropriate Statement of Facts. The reinforming date is the date the reinforming notice is mailed. |
| .12 | Retroactive Period | The period beginning with the date the person was required to be included in the AU and ending with the date the AU was reformed. |
| .13 | Redetermine Eligibility | Redetermine the eligibility of the AU for each month the person was required to be included in the AU but was not included. |
| .131 | Income/Resources | Include the person's income and resources. |
| .132 | Needs | Include the person's needs. |
| .14 | Recompute Grant | For the period specified in Section 44-355.12, recompute the grant for the AU. |
| .141 | Income | Include the person's income and resources. |
| .142 | Needs | Include the person's needs. |
| .15 | Recover Overpayment | Initiate recovery of an overpayment as specified in Section 44-352 for any month in which aid was overpaid. |

44-355 (Cont.)	STANDARDS OF ASSISTANCE AID PAYMENTS		Regulations
44-355	MANDATORY INCLUSION OVERPAYMENT/UNDERPAYMENT (Continued)		44-355
	.16 Correct Underpayment	Correct an underpayment as specified in Section 44-340 for any month in which aid was underpaid. Payment shall be made only for months in which all technical conditions of eligibility, as defined in Section 44-317.112(a), are met. Technical conditions of eligibility are considered to be met as of the date the person who was required to be included in the AU provided:	
	.161 Cooperates	The person is cooperating in meeting those conditions and	
	.162 Reporting Responsibilities	The caretaker relative has fulfilled his/her reporting responsibilities with regard to making timely and accurate reports of AU composition in accordance with Section 40-105.14.	
.2	Current Eligibility	Redetermine eligibility for the AU as of the date the AU was reformed in accordance with Section 44-355.11 that the additional person is required to be in the AU. Use the additional person's income, resources and needs when making this redetermination.	

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11056, Welfare and Institutions Code; 45 CFR 233.20(a)(13); and SSA-AT-86-01.